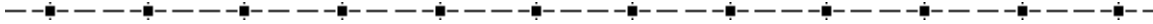


GOVERNOR'S RURAL PARTNERSHIP BOARD MEETING

January 18, 2006 – 9:00 – 11:30 a.m.

Capitol Hill – Salt Lake City, UT

(East Building, Beehive Room)



Minutes

In Attendance:

Lt. Gov. Gary Herbert, Co-Chair
Gayle McKeachnie, Rural Affairs Coordinator
Irene Hansen, Duchesne County E.D.
Gil Miller, League of Cities & Towns
Noelle Cockett, Utah State University
Mike McCandless, Emery County Ec. Dev.
Les Prall, State GOED Rural

Jeff Packer, Co-Chair
Chuck Gay, USU Extension
Delynn Fielding, Carbon County E.D.
Nan Anderson, UTIC
Steve Daniels, USU Extension
Mike Sullivan, GOED Media
Denece Kitto, Gov's Office

1. **Welcome:** Jeff Packer welcomed those in attendance and introduced Noelle Cockett, new Vice President for Extension Services and the Dean of Agriculture at Utah State University. Noelle has reappointed Chuck Gay as Assistant Vice President; she automatically becomes a member of the Board. Jeff also introduced Denece Kitto, Administrative Assistant to Gayle McKeachnie, Director of Rural Affairs.

Chuck Gay distributed flyers for the 3rd Annual Diversified Agriculture Conference to be held on February 22 – 24, 2006 in Cedar City. The Conference is being held in Cedar City this year and they are partnering with Nevada and Arizona, and USDA Risk Management has provided considerable support funding.

Action: Motion was made by Irene Hansen to approve the Agenda presented, Nan Anderson seconded the motion; all were in favor.

2. **Review of Minutes & 2005 Action Items:** The Board was asked to approve minutes of the September 20th meeting in Salt Lake and the November 3rd meeting in Price.

Action: Motion was made by Gil Miller to approve the both meetings' minutes as presented. Nan Anderson seconded the motion; all were in favor.

3. **Report on Legislative Items:**

Gayle began discussion of Action Items as listed in the November 3rd minutes to be sure nothing was dropped from the agenda that the Board should be working on.

Mike Sullivan distributed and discussed a 2-page summary of Bills before the Legislature on the issues of particular interest to Rural Utah. He mentioned the partners in U-Star is meeting with Senator Mansel at this time to go over the Bill before it goes before the Legislature

- a) **EDCU's presentation of Certified Sites,** This important component of supplying infrastructure to rural areas, is moving forward quickly.
 - Delynn added this was discussed at the Alliance meetings in the St. George and feels it will be very important to the local areas. Nick Tatton in Price said this designation by EDCU will help greatly.
- b) **Clusters and Energy issues** are moving forward under Laura Nelson's direction.
 - Delynn Fielding reported the College of Eastern Utah and the Energy Producers Association received a \$2.7 million Energy Center Grant for education and training and are currently determining the location for the facility. This would be a major component of an energy Cluster. While located in Price, its implications are statewide.
- c) **Re-funding the Disadvantaged Rural Community Business Development** for \$250,000 is in the Governor's proposed budget.
- d) Gayle reported on the **One-Time Appropriation of \$2 million to create a Rural Utah Small Business Development Fund.** In order to get the support of Workforce Services and the Governor's office the

Board needs to contact Tani Downing, WFS Executive Director to work out any concerns she has and get her support for the program.

Action: DeLynn will call Tani following the today's Board meeting.

- e) Gayle reported regarding Ongoing Funding of Support Travel and Meeting Costs of the GRPB. A bill is being sponsored by Senator Tom Hatch authorizing the payment of travel expenses, which is now before Senate Committee. Because it wasn't included in the budget, there is an appropriation request of \$30,000 as a fiscal note; Gayle doesn't know of any opposition to this.
- f) A Bill filed to Support Legislation to Remove Barriers that Prevent rural Colleges and Universities from Participating in the Centers of Excellence Program would allow statewide colleges and universities – other than the two research universities – to be eligible to apply for Centers of Excellence grants.
- g) Mike reported the Healthcare Plan (listed on the Legislative website as HB122), has been filed. There is a possibility that a second bill may be filed from another group. It is interesting in that even the discussion is valuable. The Governor's Office is very pleased with private industry's participation; they've agreed to keep moving forward, but this probably won't be solved in this session. This is a great targeted approach, and many will benefit from it.
- h) Review of the Tax Policy regarding input on the sales tax on business. This is part of the Governor's tax reform and "flat tax" package. Lt. Governor Herbert reported the Governor is insisting on at least 5% or less, and expects that to happen. Mike is meeting with Representative Gowans today on Broadband Access, which is a very important bill. It isn't filed yet, and there are details and terms to work out; they feel they have a solution that will make everyone happy. The fact that this bill in the works will keep the PFC agreeable. Senator Bramble has filed a 90-page long Telecommunications Bill (SB50) on sales tax exemptions for inputs to telecommunications. The Governor's Office of Economic Development has written a letter in regard a tax exemption to semi-conductor input being renewed.
- i) Gayle reported he spoke with Ed Meyer regarding Providing \$100,000 Ongoing Funding to Support the Utah Smart Site Program, and it was decided not to support the program any further, as there has not been the support needed. There will be some wind-down to continue for a while.
- j) Custom Fit Training is negotiated with Education. A new \$1 million has been put in the budget to be designated for GOED to use with training \$'s to identified companies, in the cooperation of UCAT.
- k) Technology Commission Changes may have a bill number at this point, It proposes a restructure of the Commission to a Task Force structure.
- l) Administrative Rules provides administrative rulemaking authority for the Governor's Office of Economic Development.
- m) The Definition of Administrative Rules on Small Business has now been officially passed which defines a small business as having less than 50 employees.

Nan asked if the Board had formally adopted the Legislative agenda. Jeff reported at the last meeting the Legislative Liaison Committee gave the Board one opportunity to make a report prior to the Session to settle on specific agenda items. He has concerns about the process and suggested the Board needs to have a more strategic process of bringing items to the table and discussing them and taking them back to constituency groups.

Nan said she would like to add an item to the agenda for consideration – regarding the Tourism industry. Jeff said it was covered in reviewing last year's priorities, and suggested she elaborate the concerns under item 10 on the agenda – Other business.

4. **Report on Infrastructure Issues:** Gayle reported great progress is being made due to Mike McCandless' efforts. One difficulty in getting businesses to establish in rural Utah is that there aren't the infrastructures needed. The flip side is that service providers don't want to make major investments in communities if there isn't anyone there to use the services. The Certified Sites is a good solution. Mike has had numerous meetings with various utilities and finds the companies and the Public Service Commission are willing to do many things to help.

Mike made a presentation on his efforts and distributed bullet points on the "Utilities Infrastructure Initiative, Active Tasks & Accomplishments, and Rural Infrastructure Fund." He reported Questar has just filed to

remove the GSS and EAC charges that caused concern. So far there hasn't been any resistance from the Division of Public Utilities or the Public Service Commission. He has also developed a good relationship with the Public Service Commission and they have become advocates.

5. **Report on Health Care Issues:** Gayle reported it has been an issue for many years that many people in Rural Utah can't afford Health Care coverage. Now many large national companies are saying that the expense of Health Care is their No.1 issue, and are asking for help. Insurance is only part of the solution. Mike, Martin and those involved had the idea that we could tag along with public health insurance – cities, counties, and state employees. Although issues need to be worked on, there are questions regarding viability of the fund, how many and what types of people would sign up, and risk issues. An original proposal was to create a Council to supervise a special fund authorized through PEHP. The Bill we now have authorizes the creation of an Advisory Council to decide if it can work, with the date of September 1, 2006 for the Council to have a preliminary plan, and October 1, to have a final plan for the Legislature to look at and decide if they are willing to put a deposit down to back up the risks. If next year's Legislative Session agreed work was properly done, a plan geared to the uninsured could be issued by July of 2007.
6. **SUSBIF Monies:** Delynn and Mike will meet with Legislature.
7. **New Rural Office and Center for Rural Life Issues:**
 - a) Gayle explained his and Denece's new positions in the new Rural Office and his vision of how to help rural Utah.
 - Tie into existing programs.
 - Perform an assessment to establish local economic development strategy.
 - GOED resources are available to help local communities analyze their weaknesses and strengths.
 - Network and align with Economic Clusters.
 - Help market and position communities in what they decide to do.
 - Be an advocate for rural values and help resolve rural concerns.
 - b) It needs to be decided how to use the Center for Rural Life. Wes Curtis has submitted a couple of proposals on what he could do for economic development in the state, one of which is to be a research staff for the GRPB. Chuck Gay pointed out that the Center for Rural Life is a partnership operation between SUU and Utah State University Extension Services. It was felt that the Board should utilize Wes and Scott Truman's expertise to whatever extent we can. A lot of history and people with credibility for statewide rural economic development has been lost; Wes and Scott are two who retain that. These two valued key people can be lost if there isn't a system in which they can participate.
 - Jeff suggests continued support of the Rural Development Council and asked the Board to sanction him meeting with the Governor, Lt. Governor Herbert, and Chris Roybal to work out a resolution to these issues.
 - c) Gayle discussed USU Extension's role in economic development. His vision for Extension includes adding the role of being an economic development center throughout the State.
 - Jeff asked that the Board endorse this concept and make a recommendation to the Governor that he instruct USU to make this transition.
 - Support of these offices is supplied by the Counties, consequently the County Commissioners have the majority of say in what is done in the office.
 - A survey done some time ago found that 40% of the agents' time was spent on economic development issues.
 - One way to help is to provide in-service training to upgrade skills.
 - Steve Daniels reported he would like the Board to have a copy of a 60 – 80 page study prepared recently for the U-STAR people as to what's going on in the State in economic development.
 - Delynn suggested communication is key. Information on economic development such as the study should be emailed to the Board.

- Steve reported he was part of a group that looked at economic development issues and extension's role nationally, and developed a skill and competency pyramid, which found there are base skills that all agents should have and more specialized skills that the specialists should have.
- Steve suggested having these discussions over the next few Board meetings on how to support the changing rolls.
- Mike Candless feels there should be more sharing of office staff and resources between Extension Services and economic development people.

8. Board Vacancies: Les Prall presented a list of the current GRPB Membership

- Former Mayor Gill Miller's status with the Utah League of Cities of Towns is in question.
- Bill Boyle has resigned leaving a vacancy. He had a 2-year term, which would be up in July 2006. Les suggest his replacement have a 4-year term, expiring in 2010.
- John Williams' slot will be opening, as he will be retiring. Les suggested his replacement also have a 4-year term expiring in 2010, instead of finishing the 2 years left on his term.
- It was also mentioned that Commissioner Kay Blackwell may want to be released, but should be asked if he wants to participate. If not, an active representative is needed on the Board.
 - It is the Governor's decision, but the Board can provide input.
- It was suggested at his retirement party that Ed Meyer be appointed to the Board and he accepted. Jeff asked that the Board consider his appointment.
- Jeff feels the Board is very inadequate in private sector representation, which should be considered.
 - Les pointed out that by regulation one appointee must be a rural businessperson – which Bill Boyle filled. Ed could be appointed in that slot as he has a business license to operate in Kanab. He could also represent the Washington / Kane County area of the State.
 - Irene Hansen pointed out that many members of the Board, such as Non and Gayle are private business people.
 - Stated in the bylaws, there needs to be a nominating Committee made up of three individuals from the Steering Committee and three from the Rural Development Council.
 - Les suggested a "proposed" Nominating Committee, which would meet the guidelines, as Wes Curtis, Gayle McKeachnie, Scott Truman, and Jeff Packer, Irene Hansen, Gil Miller.

Action: Delynn Fielding made a motion to make those Les suggested the Nominating Committee. The motion was seconded by Nan Anderson; all were in favor. Les recommended the Committee make sure there is statewide representation of each area when nominating members.

Action: A meeting of the Nominating Committee will be organized.

9. Goals for 2006 and Proposed Meeting Schedule Discussion:

- a) Jeff asked for items the Board would like put on the 2006 Agenda for further discussion.
- It was asked that Les and the Rural group screen the long-term items collected on the survey last year to see if there are any that should be discussed.
 - Lt. Governor Herbert suggested to Gayle that when Board meetings are held outside the Wasatch Front that 2 or 3 hours be set aside for a public invited "Gripe Session" – either in addition to or in place of the dinner with area people.
 - Jeff especially likes the dinner format where there is an interchange of ideas. This would take an expansion of the format of the Board and time commitment.
 - Jeff voiced his concerns that the organizational format and operations of the Board – amount of time and what is to be discussed – has not been set.
- b) Gayle presented a Board meeting schedule of 11 meetings for 2006 to be considered – and suggested there be 6 meetings set. After a great deal of discussion the schedule was decided to be as follows:

- **January 18th** (Today's meeting) **Salt Lake City**
- **February 7th** (The Board will support State of Rural Affairs – not a formal Board meeting) - SLC

- **February 23rd** (Mtg in conjunction w/Div'n of Agriculture) **Salt Lake City**
- **March 7, 8, 9** (Annual Extension Service Conf & Trng – Invite GRPB) **NO MEETING**

Action: **Chuck Gay will look into OnLine conferencing – so people won't need to travel**

- **April 18-20** (Senator Bennett's Rural Conference- Vernal)
- **May 24 – 25** (In conjunction w/Western Rural Developmnt Initiative) **Salt Lake City**
- **June 22 – 23** **Irene will Host** **Vernal / Roosevelt Basin**
- **July** **NO MEETING**
- **August 9, 10 & 11** (In connection with Rural Summit) (Nan will Host) **Loa**
- **September 21– 22, 28-29** **Salt Lake City**
- **October** **NO MEETING**
- **November 16 – 17** **Salt Lake City**
- **December** **NO MEETING**

Action: Delynn Fielding made motion to accept January, February, May, June, August, September, and November as the Boards formal meeting dates. Irene seconded the motion; all were in favor.

10. Other Business:

- a) Nan again brought up her question regarding a vote to support Tourism funding, and asked if appropriate, that the Board make a formal motion to support the appropriation to fully fund the Tourism legislation.

Action: Motion was made by Delynn Fielding that as the Board has already shown their support, they renew their support for this funding. Irene Hansen seconded the motion; all were in favor.

11. Adjourn: Meeting adjourned.